

RD AN No. 3538 (426.2)  
May 1, 2000

**TO:** Rural Development State Directors,  
Rural Development Managers, and  
Community Development Managers

**ATTN:** Program Directors and State Environmental Coordinators

**FROM:** James C. Kearney  
Administrator  
Rural Housing Service

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**SUBJECT:** Use of FEMA Form 81-93, Standard Flood Hazard Determination

**PURPOSE/INTENDED OUTCOME:**

The purpose of this Administrative Notice (AN) is to provide guidance pertaining to use of FEMA Form 81-93, Standard Flood Hazard Determination. Use of this form is required by the National Flood Insurance Reform Act (NFIRA) of 1994.

**COMPARISON WITH PREVIOUS AN:**

This is a reissue of RD AN No. 3457 (426.2), dated April 12, 1999, which expires April 30, 2000.

**IMPLEMENTATION RESPONSIBILITIES:**

NFIRA required the Federal Emergency Management Agency (FEMA) to develop a Standard Flood Hazard Determination Form (SFHDF). NFIRA also required Federal entities for lending regulation and Federal agency lenders to develop regulations requiring the use of the form.

EXPIRATION DATE:  
May 31, 2001

FILING INSTRUCTIONS:  
Preceding RD Instruction 426.2

The Federal entities for lending regulation (Office of the Comptroller of Currency, Federal Reserve System, Federal Deposit Insurance Corporation, Office of Thrift Supervision, Farm Credit Administration, and National Credit Union Administration) published regulations making the use of the form mandatory, effective January 2, 1996. The Rural Housing Service (RHS), the Rural Business-Cooperative service (RBS), and the Rural Utilities Service (RUS) are Federal agency lenders as defined in NFIRA. RD Instruction 426.2, National Flood Insurance, is currently being revised to reflect the new requirements of NFIRA, including a provision to require the use of the SFHDF. Until the revised agency regulations are published, the following guidelines are issued:

- **Direct loans and grants:** The SFHDF will be used when direct loans or grants will be used to acquire, construct, or rehabilitate a building, including a manufactured home. "Building" means a walled and roofed structure, other than a gas or liquid storage tank, that is principally above ground and affixed to a permanent site, and a walled and roofed structure while in the course of construction, alteration, or repair. Underground utility lines and underground pumping stations are not "buildings." The SFHDF is to be completed by the loan official responsible for preparing the environmental review for the proposal. Printed copies may be ordered from the Finance Office. An SFHDF will also be completed by the intermediary when an intermediary, using Agency funds, makes a loan or grant to a third party.
- **Guaranteed loans:** Since use of the form was mandated by the Federal entities for lending regulation effective January 2, 1996, guaranteed lenders must submit a completed SFHDF as a part of all requests for guaranteed financial assistance, if the financial assistance is for a "building" as described above.

The information on the SFHDF is important in two ways. First, the SFHDF provides specific information with regard to the proposal's location, its proximity to floodplains, and the availability of flood insurance for that area. This information is necessary for a determination of **site eligibility**. Floodplain sites are not eligible for Federal financial assistance unless flood insurance is available through the National Flood Insurance Program. Second, the SFHDF provides specific information on floodplain identification that is necessary to complete the Agency's environmental review.

For all programs subject to RD Instruction 1940-G or any successor to this instruction, the completed SFHDF should be attached to Form RD 1940-22, Environmental Checklist for Categorical Exclusions, or included as an exhibit to the Class I or Class II Environmental Assessment. For the Rural Utilities Service's programs subject to 7 CFR 1794, the completed SFHDF should be attached as an exhibit to the Environmental Report for Categorical Exclusions or the Environmental Assessment.

We encourage you to work closely with your State Environmental Coordinator and with your guaranteed lenders to ensure flood insurance policies and procedures are effectively integrated with loan processing and servicing activities. Should you have questions on this AN or on other

flood insurance issues including access to floodplain maps, please call Susan G. Wieferich at 720-9647 or Brian LaFlamme at 720-9656, Rural Housing Service, or Mark Plank, Rural Utilities Service, (202) 720-1649.